UNIFIED SCHOOL DISTRICT NO. 500

Kansas City, Kansas

Financial Statements

For the Year Ended June 30, 2023

AGH
CPAs & ADVISORS

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UNIFIED SCHOOL DISTRICT NO. 500
Table of Contents
For the Year Ended June 30, 2023

	Page Number
INTRODUCTORY SECTION	
Table of Contents	i - ii
FINANCIAL SECTION	
Independent Auditor's Report	1 - 3
Summary Statement of Receipts, Expenditures and Unencumbered Cash	4 - 5
Notes to the Financial Statements	6 - 15
REGULATORY REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE 1	
Summary of Expenditures - Actual and Budget	16
SCHEDULE 2	
Schedule of Receipts and Expenditures - Actual and Budget	
General Fund	17
Supplemental General Fund	18
At Risk (K-12) Fund	19
At Risk (4 Year Old) Fund	20
Parent Education Program Fund	21
Bilingual Education Fund	22
Virtual Education Fund	23
Capital Outlay Fund	24
Food Service Fund	25
Special Education Fund	26
Coop Special Education Fund	27
Gifts and Grants Fund	28
Vocational Education Fund	29
Employees' Retirement Fund	30
KPERS Special Retirement Contribution Fund	31
Federal Funds	32
Contingency Reserve Fund	33
Student Materials Revolving Fund	34
Public Library Board Fund	35
Public Library Board Employee Benefits Fund	36
Bond and Interest Fund	37
Capital Project Fund	38
School Worker's Compensation Reserve Fund	39

UNIFIED SCHOOL DISTRICT NO. 500
Table of Contents
For the Year Ended June 30, 2023

	Page Number
SCHEDULE 3	
Agency Funds Summary of Receipts and Disbursements	40
SCHEDULE 4	
Schedule of Receipts, Expenditures and Unencumbered Cash - District Activity Fund	41
GOVERNMENTAL AUDIT SECTION	
Schedule of Expenditures of Federal Awards	42
Notes to the Schedule of Expenditures of Federal Awards	43
Schedule of Findings and Questioned Costs	44 - 45
Summary Schedule of Prior Audit Findings	46
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	47 - 48
Report on Compliance For Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	49 - 51

AGH CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 500
Kansas City, Kansas

Report on the Financial Statement

Adverse and Unmodified Opinions

We have audited the accompanying summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Kansas City, Kansas Public Schools, Unified School District No. 500 (District), as of and for the year ended June 30, 2023, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide (KMAAG)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial

statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statement, however, is required to be presented

under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated January 5, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2022, on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Allen, Gibbs & Houlik, L.C.

CERTIFIED PUBLIC ACCOUNTANTS

Overland Park, Kansas
December 20, 2023

UNIFIED SCHOOL DISTRICT NO. 500
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2023

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts
General Funds:			
General Fund	$ -	$ -	$ 174,083,537
Supplemental General	1,506,508	-	59,622,150
Special Purpose Funds:			
At Risk (K-12)	17,996	-	56,712,513
At Risk (4 Year Old)	322	-	2,350,461
Parent Education Program	-	-	1,274,008
Bilingual Education	54,908	-	7,108,154
Virtual Education	-	-	1,109,646
Capital Outlay	6,842,749	2,215,367	16,955,296
Food Service	6,864,147	-	15,247,807
Special Education	7,409,185	-	17,653,077
Coop Special Education	4,896,584	-	20,285,958
Gifts and Grants	19,500,166	-	7,358,246
Vocational Education	-	-	2,988,219
Employees' Retirement	756	-	-
KPERS Special Retirement Contribution	-	-	28,533,876
Federal Funds	(16,521,900)	-	71,442,198
Contingency Reserve	17,963,320	-	3,496,000
Student Materials Revolving	164,020	-	83,025
Public Library Board	25,272,886	-	14,911,416
Public Library Board Employee Benefits	1,353,766	-	1,468,430
District Activity	179,586	-	224,705
Bond and Interest Fund:			
Bond and Interest	9,807,807	-	14,923,441
Capital Project Fund:			
Capital Projects	19,080,621	-	286,998
Business Fund:			
School Workers' Compensation Reserve	3,411,110	-	104,043
Total Reporting Entity (Excluding Agency Funds)	$ 107,804,537	$ 2,215,367	$ 518,223,204

The notes to the financial statements are an integral part of this statement.

Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
$ 174,083,537	$ -	$ 2,050,262	$ 2,050,262
58,631,242	2,497,416	3,938,627	6,436,043
55,470,768	1,259,741	2,590,997	3,850,738
2,079,978	270,805	190,230	461,035
1,230,507	43,501	50,017	93,518
6,920,669	242,393	484,785	727,178
1,109,646	-	6,300	6,300
18,243,025	7,770,387	19,610,792	27,381,179
16,323,868	5,788,086	210,381	5,998,467
24,435,455	626,807	1,121,210	1,748,017
24,747,626	434,916	894,329	1,329,245
12,395,831	14,462,581	2,128,479	16,591,060
2,901,461	86,758	177,553	264,311
756	-	-	-
28,533,876	-	-	-
65,348,378	(10,428,080)	2,166,304	(8,261,776)
3,522,000	17,937,320	-	17,937,320
143,806	103,239	540	103,779
6,635,519	33,548,783	290,105	33,838,888
1,221,497	1,600,699	-	1,600,699
178,404	225,887	-	225,887
14,950,958	9,780,290	-	9,780,290
3,012,067	16,355,552	-	16,355,552
1,621,096	1,894,057	-	1,894,057
$ 523,741,970	$ 104,501,138	$ 35,910,911	$ 140,412,049

COMPOSITION OF CASH:	
UMB Bank	
Checking	$ 859,935
Certificates of Deposit	51,700,000
Commerce	
Checking	77,213,595
Security Bank	
U.S. Government and Agency Obligations	5,643,899
Money Market Funds	1,431,468
Other Obligations	9,280,185
Cash Balance	146,129,082
Less: Agency Funds per Statement 3	(5,717,033)
Total Reporting Entity (Excluding Agency Funds)	$ 140,412,049

The notes to the financial statements are an integral part of this statement.

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 500 (District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District has no related municipal entities.

Reimbursed Expenses

Expenditures in the amount of $559,239 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, and marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis for accounting.

Regulatory Basis Fund Types

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

The following types of funds comprise the financial activities of the District for the year ended June 30, 2023:

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory basis receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund - fund financed in whole or in part by fees charged to users of the goods or services.

Trust Fund - used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Fund - used to report assets held by a municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, student organization funds, etc.).

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, special purpose funds (unless specifically exempted by statute), and bond and interest funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory basis receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The District did not amend the budget.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures

NOTE 1 - Summary of Significant Accounting Policies (Continued)

of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, regulatory basis receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for the following special purpose funds: Contingency Reserve, Student Materials Revolving and the District Activity Fund.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Deficit Cash

As of June 30, 2023, the Federal Fund had a negative unencumbered cash balance of $10,428,080. The deficit is due to timing differences between the expenditure of federal grant funds and the receipt of reimbursements.

NOTE 2 - Deposits and Investments

As of June 30, 2023, the District had the following investments and maturities:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1 - 2	More than 2	Rating U.S.
U.S Government and Agency Obligations	$ 5,643,899	$ 4,312,634	$ 1,033,984	$ 297,281	N/A
Money Market Funds	1,431,468	1,431,468	-	-	N/A
Other Obligations	9,280,185	8,316,453	427,692	536,040	N/A
Total Fair Value	$ 16,355,552	$ 14,060,555	$ 1,461,676	$ 833,321	

Deposits. K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

Investments. K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. The rating of the District's investments are noted above.

NOTE 2 - Deposits and Investments (Continued)

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2023, is as follows:

Investments	Percentage of Investments
U.S Government and Agency Obligations	34.51%
Money Market Funds	8.75%
Other Obligations	56.74%

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods". All deposits were legally secured at June 30, 2023.

At June 30, 2023, the District's carrying amount of deposits was $129,773,530 and the bank balance was $135,121,936. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $500,000 was covered by federal depository insurance and the remaining bank balance of $134,621,936 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 3 - Long-Term Debt

Following is a detailed listing of the District long-term debt:

Debt Issue	Date Issued	Maturity Date	Original Amount	Outstanding Amount	Interest Rate
General Obligation Bonds					
Series 2016-A	12/20/2016	9/1/2037	227,000,000	23,790,000	4.00 to 5.00%
Series 2020-A	2/3/2020	9/1/2046	8,000,000	7,760,000	1.63 to 3.17%
Series 2020-B	2/3/2020	9/1/2046	154,015,000	147,595,000	1.60 to 3.17%
Series 2022	4/20/2022	9/1/2037	86,850,000	86,135,000	2.230%
			$ 475,865,000	$ 265,280,000	
Certificates of Participation					
Series 2009	10/15/2009	9/1/2025	15,125,000	3,410,357	2.15%
Series 2011	7/1/2011	7/1/2027	5,465,000	1,662,375	5.29%
			$ 20,590,000	$ 5,072,732	

NOTE 3 - Long-Term Debt (Continued)

The District is subject to statutes of the State of Kansas which limit the bonded debt outstanding to 14% of the assessed valuation. The District has received authorization from the State of Kansas to exceed this limit.

Following is a summary of changes in long-term debt for the year ended June 30, 2023:

Debt Issue	Beginning Principal Outstanding	Additions	Reduction	Ending Principal Outstanding	Interest Paid
General Obligation Bonds					
2016-A Improvement	27,625,000	-	3,835,000	23,790,000	1,285,375
2020-A Improvement	8,000,000	-	240,000	7,760,000	213,760
2020-B Refunding	149,985,000	-	2,390,000	147,595,000	4,372,275
2022 Refunding	86,850,000	-	715,000	86,135,000	1,904,117
Certificates of Participation					
2009 Series	4,434,569	-	1,024,212	3,410,357	325,188
2011 Series	2,048,536	-	386,161	1,662,375	25,591
Total	$ 278,943,105	$ -	$ 8,590,373	$ 270,352,732	$ 8,126,306

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2024	7,420,000	7,816,755	15,236,755
2025	7,685,000	7,541,181	15,226,181
2026	7,965,000	7,249,012	15,214,012
2027	8,265,000	6,742,988	15,007,988
2028 - 2032	47,485,000	28,782,693	76,267,693
2033 - 2037	52,980,000	23,285,751	76,265,751
2038 - 2042	61,565,000	16,204,231	77,769,231
2043 - 2047	71,915,000	5,830,660	77,745,660
Total	$ 265,280,000	$ 103,453,271	$ 368,733,271

Annual debt service requirements to maturity for the Certificates of Participation are as follows:

Year Ended June 30,	Principal	Interest	Total
2024	1,497,330	351,337	1,848,667
2025	1,544,588	351,337	1,895,925
2026	1,593,347	188,743	1,782,090
2027	437,467	26,149	463,616
Total	$ 5,072,732	$ 917,566	$ 5,990,298

In addition, $213,481,895 of general obligation bonds and certificates of participation are still outstanding but have been fully defeased and therefore are not reported in the District's financial statements.

NOTE 4 - Compensated Absences

Under terms of the District's personnel policy, District employees working twelve months per year receive vacation pay in varying amounts. In the event of termination, an employee is paid for accumulated vacation days, depending on the employee's length of service and/or position with the District.

Sick leave benefits are extended to all employees for whom deductions are made for the District's retirement plans. Annual benefits are allowed at the rate of 10 to 14 days per year, depending upon the number of days per year the employee works. Payment of accumulated sick leave is made in the following circumstances:

1. Upon resignation provided that the employee has completed thirty (30) years of service in the District or twenty (20) years of service and attained the age of fifty-five (55). Any individual initially employed by the District after 7/31/96 is not eligible.

2. Upon retirement or death. Any individual initially employed by the District after 7/31/96 is not eligible.

Seventy-five percent of the accumulated sick leave shall be paid, not to exceed 144 days. The amount of leave is dependent on the length of the employee's service to the District.

The District records an expense for vacation days and sick leave when paid. Utilization of accumulated vacation and sick leave by employees in future years is not expected to have a material impact on District expenditures in any one year. The District has not quantified the compensated absences for purposes of this disclosure.

NOTE 5 - Defined Benefit Pension Plan

Plan description - The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A 74-4901 *et seq.* Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program)

NOTE 5 - Defined Benefit Pension Plan (Continued)

was 14.83% and 13.33%, respectively, for the fiscal year ended June 30, 2022. The actuarially determined employer contribution rate and the statutory contribution rate was 13.88% and 13.11% for the fiscal year ended June 30, 2023.

Senate Substitute for House Bill 2052 authorized the delay of $64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of $6.4 million dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual payments of $19.4 million starting in fiscal year 2020.

House Substitute for Senate Bill 109 from the 2018 Legislative session provided for additional funding for the KPERS School Group. A payment of $56 million was paid in fiscal year 2018. This bill also authorized a payment of $82 million in fiscal year 2019. The 2019 legislative session authorized an additional fiscal year payment for the KPERS School Group. 2019 Senate Bill 9 authorized a payment of $115 million for the KPERS School Group. House Substitute for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School Group in fiscal year 2020 of $51 million.

The 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue bonds with net proceeds of $500 million to fund a portion of the School unfunded actuarial liability. Senate Bill 159 recertified the State/School contribution rates for Fiscal Years 2022 and 2023. Fiscal Year 2022 was recertified from 14.09% to 13.33% and Fiscal Year 2023 from 13.86% to 13.11%. The bond proceeds were received by KPERS on August 26, 2021. The 2022 Legislature passed Senate Bill 421, which authorized the State of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2022 and 2023. The first $253.9 million pays off the outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019, discussed previously, while the remaining $871.1 million is applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, $600 million was transferred to KPERS. In Fiscal Year 2023, Senate Bill 421 authorizes two additional transfers which total $271 million.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $28,533,876 for the year ended June 30, 2023.

Net Pension Liability. At June 30, 2023, the District's proportionate share of the collective net pension liability reported by KPERS was $278,852,145. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2022. Since KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE 6 - Early Separation Liability

The District also has a plan which covers District employees who voluntarily take early retirement. An employee is eligible for early retirement if the teacher was under contract with the District on or before August 1, 1996, on the year that separation is to begin the employee must be at least 55 years old and not more than 65 years old, and the employee must have completed twenty-five years of contracted experience as a District employee and at least ten consecutive years with USD 500 having been the individual's final years before early separation and have retired from KPERS.

The benefits from this plan are computed using a formula based upon the employees' experience factor and the employees' final total annual salary. The employees approved for the early separation benefits will be paid not more than one hundred sixty-eight semi-monthly payments with payments beginning on July 15 of the year separation begins and ending in the month in which the employee dies or becomes sixty-two years old, whichever occurs first. The cost of this plan in the fiscal year ended June 30, 2023, was $831,082. Future payments are estimated as follows:

Year Ending		
2023-24	$	606,143
2024-25		391,169
2025-26		259,333
2026-27		133,389
2027-28		50,692
Thereafter		20,353
Total	$	1,461,079

NOTE 7 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and other events for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past fiscal years.

Workers' Compensation. The District has established a self insurance retention program in order to deal with workers' compensation claims. Claims in excess of the self insured retention amount are covered through a third party limited coverage policy. The District is self insured with a $250,000 retention and statutory limit of coverage.

Liabilities below do not include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Actual payment of claims and judgments is reported in the School Workers' Compensation Reserve Fund. Changes in the balance of claims liabilities are as follows:

Incurred claims from inception	$ 34,745,866
Claims payments and adjustments from inception	(32,359,814)
Unpaid claims, June 30, 2023	$ 2,386,052

NOTE 8 - Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2023.

The District is a defendant in various lawsuits. The outcome of these lawsuits is not presently determinable. However, in the opinion of management, the resolution of these matters will not likely have a material adverse effect on the financial condition of the District.

NOTE 9 - Post-Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. Employees who retire with twenty or more years of service are allowed to stay on the District's health insurance and the District pays for single full coverage until the retiree reaches Medicare eligibility age. While other retirees pay the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2023.

NOTE 10 - Transfers

Transfers were as follows:

From	To	Amount	Regulatory Authority
General Fund	At Risk (4 Year Old) Fund	$ 2,346,226	K.S.A. 72-6478
General Fund	At Risk (K-12) Fund	44,171,290	K.S.A. 72-6478
General Fund	Bilingual Education Fund	4,516,653	K.S.A. 72-6478
General Fund	Virtual School	1,109,646	K.S.A. 72-6478
General Fund	Parent Education	271,007	K.S.A. 72-6478
General Fund	Special Education	17,192,979	K.S.A. 72-6478
General Fund	COOP SPED	553,301	K.S.A. 72-6478
General Fund	Vocational Education	2,956,488	K.S.A. 72-6478
General Fund	Contingency Reserve	3,496,000	K.S.A. 72-6478
Supplemental General Fund	At Risk (K-12) Fund	12,541,223	K.S.A. 72-6478
Supplemental General Fund	Bilingual Education Fund	2,591,501	K.S.A. 72-6478
Contingency Reserve	Supplemental General-LOB	3,522,000	K.S.A. 72-6478
Special Education	COOP SPED	5,211,068	K.S.A. 72-978(h)
		$ 100,479,382	

UNIFIED SCHOOL DISTRICT NO. 500
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

Funds	Certified Budget	Adjustment to Comply with Legal Max Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds:						
General Funds:						
General Fund	$ 184,450,604	$ (10,926,306)	$ 559,239	$ 174,083,537	$ 174,083,537	$ -
Supplemental General	60,951,396	(2,320,154)	-	58,631,242	58,631,242	-
Special Purpose Funds:						
At Risk (K-12)	59,701,566	-	-	59,701,566	55,470,768	(4,230,798)
At Risk (4 Year Old)	2,665,622	-	-	2,665,622	2,079,978	(585,644)
Parent Education Program	1,579,925	-	-	1,579,925	1,230,507	(349,418)
Bilingual Education	8,330,115	-	-	8,330,115	6,920,669	(1,409,446)
Virtual Education	1,997,250	-	-	1,997,250	1,109,646	(887,604)
Capital Outlay	22,689,037	-	-	22,689,037	18,243,025	(4,446,012)
Food Service	32,196,847	-	-	32,196,847	16,323,868	(15,872,979)
Special Education	29,984,808	-	-	29,984,808	24,435,455	(5,549,353)
Coop Special Education	30,062,799	-	-	30,062,799	24,747,626	(5,315,173)
Gifts and Grants	26,854,156	-	-	26,854,156	12,395,831	(14,458,325)
Vocational Education	3,229,000	-	-	3,229,000	2,901,461	(327,539)
Employees' Retirement	756	-	-	756	756	-
KPERS Special Retirement Contribution	30,189,838	-	-	30,189,838	28,533,876	(1,655,962)
Federal Funds	63,338,328	-	-	63,338,328	65,348,378	2,010,050
Public Library Board	27,607,283	-	-	27,607,283	6,635,519	(20,971,764)
Public Library Board Employee Benefits	1,596,229	-	-	1,596,229	1,221,497	(374,732)
Bond and Interest Fund:						
Bond and Interest	14,960,527	-	-	14,960,527	14,950,958	(9,569)

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-1
Schedule of Receipts and Expenditures - Actual and Budget
General Fund
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid:				
Equalization aid	$ 159,791,033	$ 162,254,430	$ 167,042,791	$ (4,788,361)
Special education aid	11,290,590	11,269,868	17,407,813	(6,137,945)
Miscellaneous	1,873	-	-	-
Reimbursed expenses	863,665	559,239	-	559,239
Total Receipts	171,947,161	174,083,537	$ 184,450,604	$ (10,367,067)
Expenditures				
Instruction	10,766,525	9,432,207	$ 14,401,971	$ (4,969,764)
Student support services	3,239,818	2,813,053	4,211,976	(1,398,923)
Instructional support	13,323,521	14,027,183	12,952,344	1,074,839
General administration	900,899	813,948	1,037,090	(223,142)
School administration	15,712,466	16,880,186	13,658,488	3,221,698
Central services	14,771,889	15,643,177	13,161,204	2,481,973
Operations and maintenance	27,861,281	27,291,535	29,720,813	(2,429,278)
Transportation	9,307,013	10,568,658	12,945,758	(2,377,100)
Transfers out	76,063,749	76,613,590	82,360,960	(5,747,370)
Adjustment to comply with legal max budget	-	-	(10,926,306)	10,926,306
Adjustment for qualifying budget credits	-	-	559,239	(559,239)
Total Expenditures	171,947,161	174,083,537	$ 174,083,537	$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-2
Schedule of Receipts and Expenditures - Actual and Budget
Supplemental General Fund
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	$ 9,929,485	$ 12,009,860	$ 13,613,362	$ (1,603,502)
Delinquent tax	399,328	407,861	345,427	62,434
Motor vehicle tax	1,011,028	1,208,628	898,596	310,032
Revenue in lieu of taxes	104,223	153,771	-	153,771
Supplemental state aid	41,985,281	42,320,030	43,994,718	(1,674,688)
Transfer in	3,496,000	3,522,000	3,522,000	-
Total Receipts	56,925,345	59,622,150	$ 62,374,103	$ (2,751,953)
Expenditures				
Instruction	28,463,961	34,925,968	$ 29,047,007	$ 5,878,961
Student support services	9,037,313	6,000,357	15,869,786	(9,869,429)
Instructional support	106,746	174,109	144,873	29,236
School administration	226	13,947	266,907	(252,960)
Central services	7,233	3,484	2,200	1,284
Operations and maintenance	5,709,807	569,488	-	569,488
Transportation	125,130	1,811,165	84,112	1,727,053
Transfers out	13,781,428	15,132,724	15,536,511	(403,787)
Adjustment to comply with legal max budget	-	-	(2,320,154)	2,320,154
Total Expenditures	57,231,844	58,631,242	$ 58,631,242	$ -
Receipts Over (Under) Expenditures	(306,499)	990,908		
Unencumbered Cash, Beginning	1,813,007	1,506,508		
Unencumbered Cash, Ending	$ 1,506,508	$ 2,497,416		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-3
Schedule of Receipts and Expenditures - Actual and Budget
At Risk (K-12) Fund
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Transfers in	$ 52,468,813	$ 56,712,513	$ 59,483,259	$ (2,770,746)
Total Receipts	52,468,813	56,712,513	$ 59,483,259	$ (2,770,746)
Expenditures				
Instruction	49,697,861	47,508,298	$ 57,349,909	$ (9,841,611)
Student support services	1,820,947	7,007,122	1,580,995	5,426,127
Instruction support	491,811	562,393	532,385	30,008
School administration	460,511	392,955	173,955	219,000
Central services	5,283	-	64,322	(64,322)
Total Expenditures	52,476,413	55,470,768	$ 59,701,566	$ (4,230,798)
Receipts Over (Under) Expenditures	(7,600)	1,241,745		
Unencumbered Cash, Beginning	25,596	17,996		
Unencumbered Cash, Ending	$ 17,996	$ 1,259,741		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-4
Schedule of Receipts and Expenditures - Actual and Budget
At Risk (4 Year Old) Fund
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Transfers in	$ 921,450	$ 2,346,226	$ 2,665,300	$ (319,074)
Reimbursements	-	4,235	-	4,235
Total Receipts	921,450	2,350,461	$ 2,665,300	$ (314,839)
Expenditures				
Instruction	195,147	1,069,999	$ 884,830	$ 185,169
Student support services	61,218	5,889	106,087	(100,198)
Instructional support	-	2,091	197,937	(195,846)
School administration	454,659	382,598	375,954	6,644
Central services	1,035	4,543	-	4,543
Operations and maintenance	55,896	81,616	300,814	(219,198)
Transportation	488,923	533,242	800,000	(266,758)
Total Expenditures	1,256,878	2,079,978	$ 2,665,622	$ (585,644)
Receipts Over (Under) Expenditures	(335,428)	270,483		
Unencumbered Cash, Beginning	335,750	322		
Unencumbered Cash, Ending	$ 322	$ 270,805		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-5

Schedule of Receipts and Expenditures - Actual and Budget

Parent Education Program Fund

Regulatory Basis

For the Year Ended June 30, 2023

(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State aid	$ 866,679	$ 897,282	$ -	$ 897,282
Local source	79,269	105,349	1,421,815	(1,316,466)
Reimbursements	-	370	-	370
Transfers in	183,792	271,007	183,792	87,215
Total Receipts	1,129,740	1,274,008	$ 1,605,607	$ (331,599)
Expenditures				
Student support services	1,306,159	1,230,507	$ 1,579,925	$ (349,418)
Total Expenditures	1,306,159	1,230,507	$ 1,579,925	$ (349,418)
Receipts Over (Under) Expenditures	(176,419)	43,501		
Unencumbered Cash, Beginning	176,419	-		
Unencumbered Cash, Ending	$ -	$ 43,501		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-6
Schedule of Receipts and Expenditures - Actual and Budget
Bilingual Education Fund
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Transfers in	$ 7,644,078	$ 7,108,154	$ 8,275,208	$ (1,167,054)
Total Receipts	7,644,078	7,108,154	$ 8,275,208	$ (1,167,054)
Expenditures				
Instruction	6,789,675	5,928,639	$ 7,310,096	$ (1,381,457)
Student support services	364,352	363,854	415,106	(51,252)
Instructional support	429,359	533,117	503,033	30,084
School administration	5,931	94,309	101,880	(7,571)
Central services	1,222	750	-	750
Total Expenditures	7,590,539	6,920,669	$ 8,330,115	$ (1,409,446)
Receipts Over (Under) Expenditures	53,539	187,485		
Unencumbered Cash, Beginning	1,369	54,908		
Unencumbered Cash, Ending	$ 54,908	$ 242,393		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-7
Schedule of Receipts and Expenditures - Actual and Budget
Virtual Education Fund
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Transfers in	$ 1,241,996	$ 1,109,646	$ 1,997,250	$ (887,604)
Total Receipts	1,241,996	1,109,646	$ 1,997,250	$ (887,604)
Expenditures				
Instruction	1,241,996	1,041,922	$ 1,997,250	$ (955,328)
Student support services	-	67,724	$ -	$ 67,724
Total Expenditures	1,241,996	1,109,646	$ 1,997,250	$ (887,604)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-8
Schedule of Receipts and Expenditures - Actual and Budget
Capital Outlay Fund
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	$ 6,313,441	$ 7,620,825	$ 7,125,895	$ 494,930
Delinquent tax	274,659	261,362	218,793	42,569
Motor vehicle tax	818,194	813,989	606,548	207,441
Revenue in lieu of taxes	47,352	81,272	-	81,272
State aid	5,080,213	5,670,743	5,745,052	(74,309)
Interest on idle funds	181,506	2,447,998	2,000,000	447,998
Miscellaneous	138,902	59,107	150,000	(90,893)
Total Receipts	12,854,267	16,955,296	$ 15,846,288	$ 1,109,008
Expenditures				
Instruction	351,118	4,869,509	$ 4,924,089	$ (54,580)
Instructional support services	13,705	(415)	4,000	(4,415)
Central services	978,346	1,461,690	960,019	501,671
Operations and maintenance	6,364,633	9,368,014	13,802,176	(4,434,162)
Transportation	-	312,240	1,360,253	(1,048,013)
Debt service	1,604,894	1,653,376	1,638,500	14,876
Facility acquisition and construction services	198,774	578,611	-	578,611
Total Expenditures	9,511,470	18,243,025	$ 22,689,037	$ (4,446,012)
Receipts Over (Under) Expenditures	3,342,797	(1,287,729)		
Unencumbered Cash, Beginning	3,499,952	6,842,749		
Prior Year Cancelled Encumbrances	-	2,215,367		
Unencumbered Cash, Ending	$ 6,842,749	$ 7,770,387		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-9
Schedule of Receipts and Expenditures - Actual and Budget
Food Service Fund
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Federal aid	$ 22,410,409	$ 14,593,824	$ 24,085,706	$ (9,491,882)
State aid	122,485	121,829	159,272	(37,443)
Charges for services	52,691	505,690	1,054,505	(548,815)
Miscellaneous	720	453	2,000	(1,547)
Interest on idle funds	1,973	26,011	10,000	16,011
Total Receipts	22,588,278	15,247,807	$ 25,311,483	$ (10,063,676)
Expenditures				
Food service operation	16,951,125	16,323,868	$ 32,196,847	$ (15,872,979)
Total Expenditures	16,951,125	16,323,868	$ 32,196,847	$ (15,872,979)
Receipts Over (Under) Expenditures	5,637,153	(1,076,061)		
Unencumbered Cash, Beginning	1,226,994	6,864,147		
Unencumbered Cash, Ending	$ 6,864,147	$ 5,788,086		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-10

Schedule of Receipts and Expenditures - Actual and Budget

Special Education Fund

Regulatory Basis

For the Year Ended June 30, 2023

(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Federal aid	$ 310,966	$ 457,280	$ 457,280	$ -
Miscellaneous	-	2,818	-	2,818
Transfers in	19,925,642	17,192,979	22,118,344	(4,925,365)
Total Receipts	20,236,608	17,653,077	$ 22,575,624	$ (4,922,547)
Expenditures				
Instruction	18,366,715	17,078,731	$ 27,667,383	$ (10,588,652)
Student support services	95,614	104	-	104
Instruction support	68,931	1,185	72,348	(71,163)
School administration	60,433	-	38,987	(38,987)
Student transportation services	2,003,993	2,144,367	2,206,090	(61,723)
Transfers out	5,055,644	5,211,068	-	5,211,068
Total Expenditures	25,651,330	24,435,455	$ 29,984,808	$ (5,549,353)
Receipts Over (Under) Expenditures	(5,414,722)	(6,782,378)		
Unencumbered Cash, Beginning	12,823,907	7,409,185		
Unencumbered Cash, Ending	$ 7,409,185	$ 626,807		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-11
Schedule of Receipts and Expenditures - Actual and Budget
Coop Special Education Fund
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Local - other district contributions	$ 2,436,572	$ 2,402,179	$ 9,140,000	$ (6,737,821)
Federal aid	7,026,215	9,149,497	12,026,215	(2,876,718)
State aid	-	825	-	825
Local sources	122,000	-	-	-
Medicaid	3,858,462	2,966,168	4,000,000	(1,033,832)
Miscellaneous	2,979	2,920	-	2,920
Transfers in	5,482,386	5,764,369	-	5,764,369
Total Receipts	18,928,614	20,285,958	$ 25,166,215	$ (4,880,257)
Expenditures				
Instruction	12,259,738	14,730,307	$ 16,313,653	$ (1,583,346)
Student support services	6,987,771	6,088,701	10,434,516	(4,345,815)
Instructional support	2,804,899	3,498,465	3,206,272	292,193
School administration	131,855	4,016	108,358	(104,342)
Transportation	212,156	426,137	-	426,137
Total Expenditures	22,396,419	24,747,626	$ 30,062,799	$ (5,315,173)
Receipts Over (Under) Expenditures	(3,467,805)	(4,461,668)		
Unencumbered Cash, Beginning	8,364,389	4,896,584		
Prior Year Cancelled Encumbrances	-	-		
Unencumbered Cash, Ending	$ 4,896,584	$ 434,916		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-12

Schedule of Receipts and Expenditures - Actual and Budget

Gifts and Grants Fund

Regulatory Basis

For the Year Ended June 30, 2023

(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Federal aid	$ 91,168	$ 992,990	$ -	$ 992,990
State aid	4,610,409	2,783,023	2,450,000	333,023
Contributions and donations	1,370,914	909,778	-	909,778
User charges and fees	214,128	237,939	-	237,939
Miscellaneous	2,702,352	2,434,516	5,000,000	(2,565,484)
Total Receipts	8,988,971	7,358,246	$ 7,450,000	$ (91,754)
Expenditures				
Instruction	2,584,151	2,017,915	$ 17,277,656	$ (15,259,741)
Student support services	2,512,514	2,712,052	2,771,000	(58,948)
Instructional support	2,346,004	2,159,841	1,530,000	629,841
General administration	-	11,953	295,000	(283,047)
School administration	57,650	67,670	100,000	(32,330)
Central services	102,497	76,209	3,320,000	(3,243,791)
Operations and maintenance	4,528	5,350,191	1,310,500	4,039,691
Transportation	-	-	250,000	(250,000)
Total Expenditures	7,607,344	12,395,831	$ 26,854,156	$ (14,458,325)
Receipts Over (Under) Expenditures	1,381,627	(5,037,585)		
Unencumbered Cash, Beginning	18,118,539	19,500,166		
Unencumbered Cash, Ending	$ 19,500,166	$ 14,462,581		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-13
Schedule of Receipts and Expenditures - Actual and Budget
Vocational Education Fund
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Transfers in	$ 1,865,545	$ 2,956,488	$ 3,200,000	$ (243,512)
State aid	-	31,731	29,000	2,731
Total Receipts	1,865,545	2,988,219	$ 3,229,000	$ (240,781)
Expenditures				
Instruction	2,740,040	2,733,838	$ 3,226,500	$ (492,662)
Student support services	4,835	-	-	-
Instructional support	21,220	167,623	2,500	165,123
Total Expenditures	2,766,095	2,901,461	$ 3,229,000	$ (327,539)
Receipts Over (Under) Expenditures	(900,550)	86,758		
Unencumbered Cash, Beginning	900,550	-		
Unencumbered Cash, Ending	$ -	$ 86,758		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-14
Schedule of Receipts and Expenditures - Actual and Budget
Employees' Retirement Fund
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Taxes and Shared Revenues:				
Delinquent tax	$ 756	$ -	$ -	$ -
Total Receipts	756	-	$ -	$ -
Expenditures				
Miscellaneous	6,834	756	$ 756	$ -
Total Expenditures	6,834	756	$ 756	$ -
Receipts Over (Under) Expenditures	(6,078)	(756)		
Unencumbered Cash, Beginning	6,834	756		
Unencumbered Cash, Ending	$ 756	$ -		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-15
Schedule of Receipts and Expenditures - Actual and Budget
KPERS Special Retirement Contribution Fund
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State aid	$ 27,445,307	$ 28,533,876	$ 30,189,838	$ (1,655,962)
Total Receipts	27,445,307	28,533,876	$ 30,189,838	$ (1,655,962)
Expenditures				
Employee benefits	27,445,307	28,533,876	$ 30,189,838	$ (1,655,962)
Total Expenditures	27,445,307	28,533,876	$ 30,189,838	$ (1,655,962)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-16
Schedule of Receipts and Expenditures - Actual and Budget
Federal Funds
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Federal aid	$ 39,415,741	$ 71,086,638	$ 76,307,597	$ (5,220,959)
Local source	20,473	340,316	-	340,316
Reimbursements	-	15,244	-	15,244
Total Receipts	39,436,214	71,442,198	$ 76,307,597	$ (4,865,399)
Expenditures				
Instruction	27,129,571	48,379,244	$ 37,379,328	$ 10,999,916
Student support services	4,069,297	3,069,909	2,995,915	73,994
Instructional support	5,020,632	6,403,214	2,982,429	3,420,785
General administration	154,308	267,802	199,229	68,573
School administration	399,253	512,582	40,606	471,976
Central services	1,487,265	779,170	451,767	327,403
Operations and maintenance	13,406,373	4,361,645	18,935,961	(14,574,316)
Transportation	589,939	1,500,971	353,093	1,147,878
Food service operations	82,797	73,841	-	73,841
Total Expenditures	52,339,435	65,348,378	$ 63,338,328	$ 2,010,050
Receipts Over (Under) Expenditures	(12,903,221)	6,093,820		
Unencumbered Cash, Beginning	(3,618,679)	(16,521,900)		
Unencumbered Cash, Ending	$ (16,521,900)	$ (10,428,080)		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures
Contingency Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Transfers in	$ 3,522,000	$ 3,496,000
Total Receipts	3,522,000	3,496,000
Expenditures		
Transfers out	3,496,000	3,522,000
Total Expenditures	3,496,000	3,522,000
Receipts Over (Under) Expenditures	26,000	(26,000)
Unencumbered Cash, Beginning	17,937,320	17,963,320
Unencumbered Cash, Ending	$ 17,963,320	$ 17,937,320

* This fund is not required to be budgeted.

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures
Student Materials Revolving Fund *
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Charges for services	$ 30,788	$ 51,713
Miscellaneous revenues	5,782	31,312
Total Receipts	36,570	83,025
Expenditures		
Instruction	85,263	143,806
Total Expenditures	85,263	143,806
Receipts Over (Under) Expenditures	(48,693)	(60,781)
Unencumbered Cash, Beginning	212,713	164,020
Unencumbered Cash, Ending	$ 164,020	$ 103,239

* This fund is not required to be budgeted.

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-19
Schedule of Receipts and Expenditures - Actual and Budget
Public Library Board Fund
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Taxes and Shared Revenue:				
Ad valorem property taxes	$ 7,754,038	$ 9,347,583	$ 8,757,007	$ 590,576
Delinquent tax	335,654	318,831	268,842	49,989
Motor vehicle tax	1,003,889	1,000,217	745,189	255,028
Revenue in lieu of taxes	83,900	120,684	-	120,684
State aid	41,457	44,898	-	44,898
Other revenue from a local source	3,142,911	3,945,198	-	3,945,198
Interest	5,919	78,033	-	78,033
Donations	2,500	55,716	-	55,716
Other	24,089	256	-	256
Total Receipts	12,394,357	14,911,416	$ 9,771,038	$ 5,140,378
Expenditures				
Community service operations	9,859,354	6,247,087	$ 27,607,283	$ (21,360,196)
Operations and maintenance	32,704	388,432	-	388,432
Total Expenditures	9,892,058	6,635,519	$ 27,607,283	$ (20,971,764)
Receipts Over [Under] Expenditures	2,502,299	8,275,897		
Unencumbered Cash, Beginning	22,770,587	25,272,886		
Prior Year Cancelled Encumbrances	-	-		
Unencumbered Cash, Ending	$ 25,272,886	$ 33,548,783		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-20
Schedule of Receipts and Expenditures - Actual and Budget
Public Library Board Employee Benefits Fund
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Taxes and Shared Revenue:				
Ad valorem property taxes	$ 1,055,294	$ 1,272,306	$ 1,191,835	$ 80,471
Delinquent tax	45,845	43,507	36,585	6,922
Motor vehicle tax	136,733	132,692	101,503	31,189
Revenue in lieu of taxes	16,263	19,925	-	19,925
Total Receipts	1,254,135	1,468,430	$ 1,329,923	$ 138,507
Expenditures				
Community service operations	1,113,455	1,221,497	$ 1,596,229	$ (374,732)
Total Expenditures	1,113,455	1,221,497	$ 1,596,229	$ (374,732)
Receipts Over (Under) Expenditures	140,680	246,933		
Unencumbered Cash, Beginning	1,213,086	1,353,766		
Unencumbered Cash, Ending	$ 1,353,766	$ 1,600,699		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-21
Schedule of Receipts and Expenditures - Actual and Budget
Bond and Interest Fund
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Taxes and Shared Revenue:				
Ad valorem property taxes	$ 7,148,187	$ 8,576,030	$ 8,031,946	$ 544,084
Delinquent tax	351,355	305,674	246,679	58,995
Motor vehicle tax	1,200,140	994,400	742,798	251,602
Revenue in lieu of taxes	81,336	112,013	-	112,013
State aid	6,816,461	4,935,324	4,935,324	-
Total Receipts	15,597,479	14,923,441	$ 13,956,747	$ 966,694
Expenditures				
Bond principal	6,285,000	7,180,000	$ 7,180,000	$ -
Interest	9,439,984	7,770,958	7,780,527	(9,569)
Total Expenditures	15,724,984	14,950,958	$ 14,960,527	$ (9,569)
Receipts Over (Under) Expenditures	(127,505)	(27,517)		
Unencumbered Cash, Beginning	9,935,312	9,807,807		
Unencumbered Cash, Ending	$ 9,807,807	$ 9,780,290		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures
Capital Project Fund *
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Investment income	$ 154,064	$ 286,998
Reimbursements	10,601	-
Total Receipts	164,665	286,998
Expenditures		
Capital outlay	2,192,913	3,012,067
Total Expenditures	2,192,913	3,012,067
Receipts Over (Under) Expenditures	(2,028,248)	(2,725,069)
Unencumbered Cash, Beginning	21,108,869	19,080,621
Unencumbered Cash, Ending	$ 19,080,621	$ 16,355,552

* This fund is not required to be budgeted.

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures
School Worker's Compensation Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Investment income	$ 7,892	$ 104,043
Transfer in	1,645,119	-
Total Receipts	1,653,011	104,043
Expenditures		
General administration	1,657,792	1,621,096
Total Expenditures	1,657,792	1,621,096
Receipts Over (Under) Expenditures	(4,781)	(1,517,053)
Unencumbered Cash, Beginning	3,415,891	3,411,110
Unencumbered Cash, Ending	$ 3,411,110	$ 1,894,057

* This fund is not required to be budgeted.

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 3
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2023

FUNDS	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
High Schools				
Clubs and Societies	$ 461,640	$ 544,443	$ 582,297	$ 423,786
Total High Schools	461,640	544,443	582,297	423,786
District				
Healthcare Reserve	4,920,209	-	-	4,920,209
Total District	4,920,209	-	-	4,920,209
Middle Schools				
Clubs and Societies	227,805	185,226	214,085	198,946
Total Middle Schools	227,805	185,226	214,085	198,946
Elementary Schools				
Clubs and Societies	234,975	127,146	188,029	174,092
Total Elementary Schools	234,975	127,146	188,029	174,092
Total Agency Funds	$ 5,844,629	$ 856,815	$ 984,411	$ 5,717,033

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 4

Schedule of Receipts, Expenditures and Unencumbered Cash

District Activity Fund

Regulatory Basis

For the Year Ended June 30, 2023

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
District Activity Fund	$ 179,586	$ -	$ 224,705	$ 178,404	$ 225,887	$ -	$ 225,887

See independent auditor's report on the financial statements.

Unified School District No. 500
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Entity/Program Title	Assistance Listing Number	Cluster	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Agriculture				
Pass-Through Kansas Department of Education				
School Breakfast Program	10.553	1		$ 3,136,414
National School Lunch Program	10.555	1		9,941,223
Child and Adult Care Food Program	10.558			456,853
Summer Food Service Program for Children	10.559	1		1,059,334
Total U.S. Department of Agriculture				**14,593,824**
U.S. Department of Education				
Pass-Through Kansas Department of Education				
Title I Grants to Local Educational Agencies	84.010A		S010A200016, S010A210016	11,107,883
Migrant Education State Grant Program	84.011A		S011A200016, S011A210016	318,506
Special Education Grants to States	84.027A	2	H027A200031, H027A210031	3,575,114
Career and Technical Education - Basic Grants to States	84.048A		V048A190016, V048A200016, V048A210016	419,092
Special Education Preschool Grants	84.173A	2	H173A200034, H173A210034	213,168
Education for Homeless Children and Youth	84.196A		S196A200017	156,697
Twenty-First Century Community Learning Centers	84.287C		S287C200016	273,747
English Language Acquisition State Grants	84.365A		S365A190016, S365A200016, S365A210016	857,956
Supporting Effective Instruction State Grants	84.367A		S367A200015, S367A210015	1,598,771
Student Support and Academic Enrichment Program	84.424A		S424A200017, S424A210017	487,554
COVID-19 - Education Stabilization Fund	84.425D	3	S425D210002	51,493,638
Total U.S. Department of Education				**70,502,126**
U.S. Department of Health and Human Services				
Pass-Through Kansas Department of Education				
Youth Risk Behavior Survey	93.079			7,360
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323			324,953
Every Student Succeeds Act/Preschool Development Grants	93.434			19,098
Direct Program				
Head Start	93.600			4,146,599
Total U.S. Department of Health and Human Services				**4,498,010**
Total Federal Assistance				**$ 89,593,960**

Clusters:

1 - Child Nutrition Cluster	$ 14,136,971
2 - Special Education Cluster (IDEA)	3,788,282
3 - Education Stabilization Fund (ESSER)	51,493,638

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 500
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

1. Organization

Kansas City, Kansas Public Schools Unified School District No. 500 (District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. The District elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2023.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified (Regulatory Basis) Adverse (GAAP)			
Internal control over financial reporting:				
• Material weaknesses identified?		Yes	X	No
• Significant deficiencies identified that are not considered to be material weaknesses?		Yes	X	None reported
• Noncompliance material to financial statements noted?		Yes	X	No

FEDERAL AWARDS

Internal control over major programs:				
• Material weaknesses identified?		Yes	X	No
• Significant deficiencies identified that are not considered to be material weaknesses?		Yes	X	None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a):		Yes	X	None Reported

Type of auditor's report issued on compliance for major programs:

CFDA Number	NAME OF FEDERAL PROGRAM	Opinion
93.600	Head Start	Unmodified
84.425	Education Stabilization Fund	Unmodified

Dollar threshold used to distinguish between type A and type B programs:	$ 2,687,819			
Auditee qualified as low-risk auditee?		Yes	X	No

SECTION II - FINANCIAL STATEMENT FINDINGS

None were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None were reported.

UNIFIED SCHOOL DISTRICT NO. 500
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

None were reported.

AGH
CPAs & ADVISORS

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Board of Education
Unified School District No. 500
Kansas City, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting, the financial statements of the Kansas City, Kansas Public Schools Unified School District No. 500, (District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 20, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Allen, Gibbs & Houlik, L.C.

CERTIFIED PUBLIC ACCOUNTANTS

Overland Park, Kansas
December 20, 2023

AGH
CPAs & ADVISORS

Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

Board of Education
Unified School District No. 500
Kansas City, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Kansas City, Kansas Public Schools Unified School District No. 500 (District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Overland Park, Kansas
December 20, 2023